

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re: Michael Howard Lilligh and  
Stephanie Judith Lilligh

Chapter 13  
Case No. 15-48816

Debtor(s)\_\_\_\_\_

MOTION TO MODIFY  
CHAPTER 13 PLAN

The Debtors hereby seek to modify their plan to: 1) allow the Debtors to change the amount to be paid on the secured claim of the Internal Revenue Service, the sole claimant provided for in Section 2.(b) of their confirmed chapter 13 plan, from the total claim amount, to the value of the collateral securing the claim which was property of the estate at the time the case was filed as determined by the Court; and, 2) to increase the amount of their final plan payment from \$500 to \$1,300 to ensure that the Debtors plan, as modified, is feasible. The Debtors respectfully request that the Court specifically modify their Chapter 13 plan as follows:

1. Vesting of property. The Property of the estate that re-vested to the Debtors upon confirmation shall re-vest to the estate so that the Debtors can obtain an order valuing the collateral under Section 506(a). Upon re-vesting to the estate, the Trustee shall not be liable for and will not assume any additional responsibilities with respect to the property including – but not limited to – income tax filing requirement, principal and interest payments, taxes, or insurance. Upon completion of the plan, all property shall again re-vest in the Debtors.

2. Motions to Value Collateral. The plan as modified, shall incorporate any orders of the Court valuing the collateral of the Internal Revenue Service.

3. Increase in Final Plan Payment. The Plan payment terms will be modified from payments of \$500 for sixty months to payments of \$500 for 59 months and then a payment of \$1,300 for 1 month. \$800 of the final \$1,300 payment will be paid to the Trustee directly by the Debtors and not via a wage assignment.

3. Other modifications:

None

4. The plan, if modified, would be completed within sixty (60) months from commencement of the case.

The grounds for the modification are as follows:

11 U.S.C. Section 1329 (a)(1) allows a Chapter 13 Plan to be modified to increase or decrease the amount of payments to a particular class of creditors provided for in the plan. In this case, the Internal Revenue Service is the sole secured creditor provide for in paragraph 2 (b) in the Debtors' confirmed chapter 13 plan.

The Debtors seek to change the amount paid to this class of creditors from the face amount of its claim to the value of the collateral securing this claim which was property of the estate at the time this case was filed so that the Debtors can complete their plan.

In order to obtain an order valuing the collateral which can be incorporated into the modified plan, the property of the estate which re-vested to the Debtors upon confirmation is required to be re-vested back to the estate.

WHEREFORE, the Debtor(s) request that the Court modify the Chapter 13 plan as set forth above.

Dated: September 26, 2017  
Rev. 2/05

/s/ Eric M. Nixdorf  
Eric M. Nixdorf  
Attorney for Debtors